

Rural Power

A newsletter for and about Kansas Electric Cooperatives

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What's Inside?

Calendarp. 2

Kansas Students Return from Youth Tourp. 3

Max Ott Honored for 30 Yearsp. 4

Bob Jennings earns CCC p. 4

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Electric Cooperatives Applaud Senate Energy Bill

The U.S. Senate overwhelmingly passed a wide-ranging energy bill on June 28, 2005. The electricity title of the bill will enhance both the reliability and affordability of our nation's electricity supply.

This bill increases consumer protections, codifies national reliability standards, and gives federal regulators the authority necessary to site and encourage the construction of new transmission. These measures strengthen national security by promoting a diverse fuel supply, all while reducing costly regulatory burdens on small utilities.

This 1,250-page bill, which passed 85-12, provides incentives to spur construction of nuclear power plants and clean coal, and would require that 10 percent of electricity produced by utilities be generated from renewable sources, such as wind, solar, or biomass, by 2020.

"The overwhelming support for H.R. 6 is recognition of the serious challenges that confront our nation as we seek to grow the economy, preserve and protect the environment, and improve the quality of life for all Americans," Glenn English, NRECA's CEO,

said in a statement. "The bipartisan approach adopted by Chairman Domenici and Ranking Member Bingaman at the committee level set the stage for an exhaustive and inclusive floor debate of the nation's energy future."

The bill also doubles the use of corn-blended ethanol and offers \$16 billion in tax breaks and incentives to boost domestic production. However, the bill still must be reconciled with an \$8 billion energy package that was passed by the House of Representatives in April.

"The Kansas electric cooperatives lobbying team will continue to monitor the energy bill as it moves into conference committee," said Stuart Lowry, KEC's Executive Vice President / General Counsel. "We appreciate the responsiveness of our congressional delegation in looking out for the interest of rural Kansans."

This is the third time in four years that the Senate has approved an energy bill. The bill will be brought before a conference committee to be named at a later date. The conference committee will work through the month of July in hopes of passing an energy bill before the August recess.

KEC Members Receive Amended Property Valuations

Several Kansas electric co-ops will see lower than anticipated property tax bills later this year due to successful appeals of their valuation notices.

Caney Valley, DS&O, Leavenworth-Jefferson, and Twin Valley electric cooperatives had their valuations lowered by more than a combined \$1.4 million, which will result in annual property tax savings of approximately \$59,000.

These four cooperatives requested informal conferences with the Kansas Department of Revenue's Property

Valuation Division (PVD) to object to their appraised values. Doug Shepherd, KEC's Vice President of Member Services, represented these cooperatives at the appeal conferences. All four of these cooperatives received amended notices that lowered their appraised value.

There were a variety of issues discussed at the conferences, but the two primary ones addressed the net operating income used by the PVD to forecast the cooperatives' income stream, and the overstatement of new

sales attributed to construction work in progress.

Many of these appeals came from either misreporting – where the cooperatives submit inadvertently a number incorrectly – or from a misinterpretation of these numbers by the PVD staff. Shepherd offered suggestions to cooperatives to review their appraisal reports for accuracy.

"The PVD staff can make an honest mistake or misinterpret a figure, so co-ops should verify the numbers in the appraisal reports with those they reported to the PVD," he said.

Cooperative Calendar

July	15	Sunflower Board Meeting, Sunflower Headquarters, 8:30 a.m.
	16-22	Cooperative Youth Leadership Camp, Clark, CO.
	20	KEPCo Committee Meetings, KEPCo Headquarters, Topeka.
	21	KEPCo Board of Trustees Meeting, KEPCo Headquarters, Topeka, 8:30 a.m.
	28	MDM Meeting, KEC Headquarters, Topeka, 10 a.m.
	29	Management Evaluation Committee, Marriott, Overland Park, 4:30 p.m.
	30-31	Board Leadership Training, Marriott, Overland Park.
August	1	KEC Summer Board Meeting, Marriott, Overland Park.
	11-12	Material Managers Association Meeting, Harrah's, Topeka.
	17	KEPCo Committee Meetings, Holiday Inn, Salina.
	18	KEPCo Board of Trustees Meeting, Holiday Inn, Salina, 8:30 a.m.
	19	Sunflower Board Meeting, Sunflower Headquarters, 8:30 a.m.
	25	MDM Meeting, KEC Headquarters, Topeka, 10 a.m.
	26	KCRE Golf Tournament, Municipal Golf Course, Salina.
September	8-9	Kansas Managers Meeting, Location TBA.
	13-15	KEC Hot Line School, Pratt Community College.
	14	KEPCo Committee Meetings, KEPCo Headquarters, Topeka.
	15	KEPCo Board of Trustees Meeting, KEPCo Headquarters, Topeka, 8:30 a.m.
	16	Sunflower Board Meeting, Sunflower Headquarters, 8:30 a.m.
	22-23	Line Superintendents' Meeting, Wichita.
	27-29	KEC Hot Line School, Manhattan Area Technical School.
	28	KEC Committee Meetings, Marriott Hotel, Wichita.

KEC Offers Board Training

KEC will offer two Board Leadership Courses prior to the KEC Summer Board Meeting.

On July 30, Rodney Crile will facilitate the brand-new Board Leadership Course **968.1 Advanced Rate Decisions for Experienced Directors**. This course will enable directors to understand the complex issues when considering equity management and rate strategies.

On July 31, **915.1 Advocating the Cooperative Difference** will highlight grassroots advocacy. This interactive session will be taught by NRECA's Randy Dwyer and Lyle Piper.

For more information, contact Shana Holsteen, KEC, at (785) 478-4554.

NRC Presents Wolf Creek's Safety Assessment

The Nuclear Regulatory Commission (NRC) presented Wolf Creek Nuclear Operating Corporation management its annual safety performance assessment of Wolf Creek Generating Station at a public meeting at the Coffey County Library on June 9.

Inspection results are from Jan. 1 to Dec. 31, 2004. NRC personnel stated Wolf Creek operated in a manner that preserved public health and safety and fully met all cornerstone objectives.

Based on Wolf Creek's performance, the NRC will conduct baseline inspections only at the plant through Sept. 30, 2006.

The letter sent to Wolf Creek by the NRC may be viewed at NRC's website: http://www.nrc.gov/NRR/OVERSIGHT/ASSESS/LETTERS/wc_2004q4.pdf.

KEC Offers Hazwoper Incident Commander Training

KEC's Loss Control, Safety and Compliance Department is offering a three-day seminar for Incident Commander Training. The workshop is tentatively set for August 16-18, in Salina.

Conducted by Vicki James of Training Consultants LLC, this workshop is designed for rural electric cooperative employees who have not been through the initial training that was conducted in the 1990s.

The cost per participant will be \$400. Registration deadline is July 1. Please contact Larry Detwiler or Judy Holliday, KEC, at (785) 478-4554 for more information.

Carroll Waggoner Accepts New Mexico Manager Position

Carroll Waggoner, Sunflower's former Senior Manager of Transmission Policy, has accepted the position of General Manager for Otero County Electric Cooperative in Cloudcroft, NM. He assumed his new duties on June 16.

Carroll Waggoner began his career at Sunflower in February 1986. As Senior Manager of Transmission Policy, Waggoner was responsible for the management of the policy issues facing Sunflower in the regional power pools and legislative bodies.

Sunflower President and Chief Executive Officer, Earl Watkins, said, "All of us at Sunflower wish Carroll well in his new position at Otero County Electric." Watkins added, "We've appreciated his contributions to Sunflower and know that he will do well in his new position."

Grant County Gains Ethanol Plant

A St. Louis company has chosen Grant County as the site for an ethanol plant that officials said will be the state's largest.

North American Bioenergy Resources will announce the exact site of the plant next week. This plant will employ about 100 people, and it is expected to produce 100 million gallons of grain alcohol annually from milo grown by area farmers. Construction is scheduled to begin this fall, with production expected to start in the fall of 2006.

"This is very exciting news," Ed Wiltse, Ulysses mayor and Pioneer Electric's Manager of Member Services, said. "The job creation, the added value for our farmers that sell grain - obviously, it's huge. Any time a community can get those jobs that have benefits, it potentially can be huge for our economy."

Kansas also has ethanol plants in Russell, Oakley, Colwich, Garden City, Atchison and Leoti, with others being built in Garnett, Phillipsburg and Pratt. Kearny County, just north of Grant County, is also considering its own plant.

Source: Associated Press, June 16.

In Brief

Missouri Electrical Worker Killed

A utility worker was electrocuted while trying to restore power after a storm had knocked out power to thousands of residents in Independence, MO.

Steve Ebert, 33, of Clark, worked for Columbia Water and Light (CW&L) but had volunteered to help repair power lines and clear debris in Independence after a storm.

Ebert was killed while reaching into a storage bin in a boom truck that had come into contact with a 13,000-volt power line, CW&L said.

Source: Associated Press, June 11

XCEL Considers Building Plant

Xcel Energy Inc. is reviewing a proposal from a Canadian company to build a \$900 million, 500-megawatt coal-fired power plant, capable of serving 500,000 customers, about 90 miles southeast of Denver near Limon. Radar Acquisitions Corp. of Calgary said it's making the pitch.

If the plant is approved, Colorado could have three new coal-fired power plants built or under way by the end of the decade. The proposal must be reviewed by Xcel as well as by state regulators.

Source: Denver Business Journal, June 11

NPPD Not Joining New Plant

The Nebraska Public Power District has decided against partnering with a half dozen other utilities in construction of a \$445 million coal-fired power plant near Hastings, NE. But that does not appear to be slowing the 220-megawatt project. The remaining utilities are forming a nonprofit organization to guide construction of the plant, which is supposed to begin operating in 2012.

The other participating utilities are: Heartland Consumers Power District of Madison, SD; Hastings Utilities; Grand Island Utilities; City of Torrington, WY; and Nebraska City Utilities.

Source: Omaha World-Herald, June

Kansas Participates in 45th Youth Tour Anniversary

25 Kansas youth representing 18 electric cooperatives attended the "Government in Action" Youth Tour to Washington, D.C., June 16-23. This year's delegation marked the 45th Anniversary of this youth tour.

The Kansas youth joined more than 1,500 high school students representing 44 states from across the nation. These students learned about electric cooperatives, American history and U.S. government. They visited with Reps. Moran and Tiahrt, and had their photo taken with Sen. Roberts. The youth delegates attended educational seminars, and they visited the sights around Washington, D.C. Traveling with the Kansas contingent this year were four youth representatives from Hawaii.



Starting on top row from left: Zach Raugewitz (Victory) was selected as the 2005 Kansas representative to NRECA's Youth Leadership Council; the Kansas / Hawaii delegation poses in front of the US Capitol; Sen. Roberts visits with the Kansas youth; Casey Cook (Pioneer) dons protective gear at Wolf Creek; Elizabeth Berland (Prairie Land) climbs a pole at Lyon-Coffey; the youth meet "Slugger" at the KC Royals game.

Congratulations

KEC Communicator Earns CCC

KEC's Printing Coordinator, Bob Jennings, recently earned his Certified Cooperative Communicator (CCC) designation.

CCC is a voluntary professional certification program offered through NRECA for communication and marketing professionals in the electric cooperative network.

Jennings was required to submit a portfolio of his work and pass a comprehensive exam to earn his certification.

Jennings said that he had considered earning his CCC credentials for several years.

"Including myself, there are only five active CCCs in Kansas," Jennings explained. "We certainly need to work toward increasing that number."

He then explained the steps to the program.

"You must submit an application. Once it is approved, you must submit a portfolio of work samples," he said. "If your portfolio meets the qualifications, you become eligible to take a four-hour written examination that is given by an educational consulting firm. Successfully passing this rigorous exam is the final step toward earning your CCC designation."

Jennings passed his exam at the Connect 2005 Conference last month.

June Tornado Damages Prairie Land Substation



A tornado tore a path through Prairie Land's Webster Substation on June 9. The storm ripped the steel structure from its foundation and deposited it in a nearby field. Crews worked through the night, and had restored all single-phase members by

the next afternoon. Crews also had to replace 65 poles. By June 17, a temporary sub was built on site and energized, helping to restore voltage to the Webster area. A new substation will be built next to the current site in the near future.

Butler REC Partners with NRECA International Foundation

Joining with NRECA's International Foundation, Butler REC has become a regional partner for the Pignon, Haiti, electrification project.

Thanks to Butler and other regional partners, 150 households and businesses around the town square, as well as the local school, have access to electricity six hours per day.

The donation to this project was made from Butler's Operation Round Up program. Under this program, Butler's members can choose to round up their electric bills to the nearest dollar. The extra funds are then used to help local charities and special projects.

Ott Recognized for Years of Service



At a board meeting this week, Alfalfa's Board Vice President, Kent McMahan, recognized Manager Max Ott for 30 years of service. Max started at Alfalfa on June 16, 1975, as an engineer. He was named Interim Manager in July of 1985, and then Manager in October of 1985.

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